

ARCHES GARDEN							Reserves
Owner Occupied - Purchase							
Property Type	Min Loan Amount >	Max Loan Amount <=	Max LTV <=	Max CLTV <=	Credit Score	DTI	
SFR, SFA, PUD, & Condo	\$548,250	\$2,000,000	80%	80%	720	43%	
	\$548,250	\$1,000,000	70%	70%	700	40%	
	\$2,000,000	\$2,500,000	75%	75%	740	43%	
	\$2,500,000	\$3,000,000	75%	75%	780	43%	
	\$2,500,000	\$3,000,000	70%	70%	740	43%	
Owner Occupied - Rate & Term							Loan Amounts <= \$1mm - 12 Months PITI  Loan Amounts <= \$2mm - 15 Months PITI  Loan Amounts <= \$3mm - 30 Months PITI  FTHB - 18 Months PITI
Property Type	Min Loan Amount >	Max Loan Amount <=	Max LTV <=	Max CLTV <=	Credit Score	DTI	
SFR, SFA, PUD, & Condo	\$548,250	\$2,000,000	80%	80%	720	43%	
	\$548,250	\$1,000,000	70%	70%	700	40%	
	\$2,000,000	\$2,500,000	75%	75%	740	43%	
	\$2,500,000	\$3,000,000	75%	75%	780	43%	
	\$2,500,000	\$3,000,000	70%	70%	740	43%	
Owner Occupied - Cash-Out							
Property Type	Min Loan Amount >	Max Loan Amount <=	Max LTV <=	Max CLTV <=	Credit Score	DTI	
SFR, SFA, PUD, & Condo	\$548,250	\$1,000,000	65%	65%	720	38%	
	\$1,000,000	\$2,000,000	65%	65%	740	38%	
	\$2,000,000	\$2,500,000	65%	65%	760	38%	

ARCHES GARDEN						
	Product	Qualifying Rate	Term	Margin	Caps	Index
Available Products	15 Year Fixed	Note Rate	180	N/A	N/A	N/A
	5/6 ARM	Greater of Note Rate + 2% or Fully Indexed Rate	360	2.75%	2% - 1% - 5%	30-Day Avg SOFR
	7/6 ARM	Greater of Note Rate or Fully Indexed Rate	360	2.75%	5% - 1% - 5%	30-Day Avg SOFR
	10/6 ARM	Greater of Note Rate or Fully Indexed Rate	360	2.75%	5% - 1% - 5%	30-Day Avg SOFR
Secondary Financing	Allowed - See LTV/CLTV grid Junior financing must meet the requirements as defined by Fannie Mae Institutional lenders only Not allowed with a cash-out first mortgage					
Property Type	Single Family Residence (Detached & Attached) PUD Condo (All condo's must meet FNMA warrantable condo requirements, minimum 400 square feet)					
Max Cash-Out	\$500,000 Max					
Property Value Determination	Purchase: Current Appraised Value Rate & Term: Current appraised value can be used after 6-months of ownership. Owned less than 6-months use lesser of purchase price or current appraised value Cash-Out: Current appraised value can be used after 12-months of ownership. Owned less than 12-months use lesser of purchase price or current appraised value					
Lien & Ownership Seasoning	Rate & Term: 6-months seasoning on previous cash-out or transaction paying off non-seasoned 2nd Cash-Out: 6-month ownership seasoning required					
Flips	If seller has taken title 90-days prior to contract date, 2nd appraisal is required					
Continuity of Obligation	One of the following must be met: At least one (1) borrower who is obligated on the new loan is also obligated on the existing loan being refinanced At least one (1) borrower has been on title and residing in the property for at least 12-months and has either paid the mortgage for the last 12-months or can demonstrate a relationship with the current obligor At least one (1) borrower has recently been legally awarded the property (divorce, separation, or dissolution of domestic partnership) The loan being refinanced and the title to the property are in the name of a natural person or in the name of a limited liability company (LLC) as long as the borrower owns at least 25% percent of the LLC.					
Delayed Financing	Delayed financing refinances in which the borrower(s) purchased the subject property for cash within 90-days from the date of the application are eligible Cash-back to the borrower in excess of the original purchase price or appraised value (whichever is less) is not allowed Delayed financing refinances are underwritten as rate and term refinances and are not subject to cash-out program limitations Property may not be located in Texas					

Borrower Requirements	
Eligible Borrowers	US Citizens Permanent Resident Alien Non-Permanent Resident Alien
Non-Permanent Resident	Non-Permanent Resident Aliens are eligible. A non-permanent resident alien is someone who is: <ul style="list-style-type: none"> <li>- Not a U.S. Citizen</li> <li>- Granted the right to live and work in the U.S. on a temporary basis, and a lawful non-permanent resident of the U.S. (Visa Holder)</li> </ul> Acceptable Visa types are as follows: <ul style="list-style-type: none"> <li>- E Series (E-1, E-2, E-3)</li> <li>- G Series (G-1, G-2, G-3, G-4, G-5)</li> <li>- H Series (H-1B, H-1C)</li> <li>- L Series (L-1, L-1A, L-1B, Spouse L-2 with EAD)</li> <li>- NATO Series (NATO 1-6)</li> <li>- O Series (O-1)</li> <li>- TN-1, Canadian NAFTA visa</li> <li>- TN-2, Mexican NAFTA visa</li> </ul> Must have a valid Social Security Number Must have minimum of two (2) year employment history in the U.S. and qualifying income must be from the U.S. Must be able to verify that current employment has a probability of three (3) year continuance. VOE form may be used to document. Must have a two (2) year credit history in U.S. and must meet minimum credit requirements Funds to close must be deposited in a U.S. financial institution first. No funds to close from directly outside the U.S. are allowed.
Frist Time Homebuyer	\$1,000,000 Max Loan Amount - Reserves 18 Months PITI
Multiple Properties Owned	The maximum number of residential 1-4 unit properties financed is four (4). Properties owned free and clear are NOT included in this limitation. Max exposure to Newfi for any one (1) borrower is five (5) loans or \$5,000,000 UPB
Max # of Borrower's	Maximum of 4 borrowers per loan
Non-Occupant Co-Borrowers	Income from a Non-Occupant Co-Borrower Not Allowed

Credit	
Credit Score	See matrix When multiple borrowers apply, the lowest middle score is the qualifying credit score
Age of Documentation	Income & Assets - 60-days Credit - 90-days Title & Appraisal - 120-days
Housing Payment History	0x30x24
Major Credit Events	Foreclosure, Deed-In-Lieu, Bankruptcy, Short Sales, NOD, 120/150 day lates - Seven (7) years seasoning is required
Collections & Charge Offs	At or prior to loan closing, all delinquent credit that will impact title - including delinquent taxes, judgments, charge-off accounts, tax liens and mechanics liens - must be paid off. Collection and charged-off accounts that do not impact title do not need to be paid off if the sum total of all derogatory accounts is less than \$1,000 or if there are multiple accounts total balance of all accounts cannot exceed \$2,500.
Required Credit History	Three (3) open and active tradelines with 24-months history Two (2) tradelines must have activity within the most recent six (6) months of application date One (1) tradeline must be installment, mortgage, or rental history Rental history may be used as one (1) of the three (3) tradelines Borrowers not meeting the three (3) tradeline requirement above are acceptable if they meet the following criteria: - Minimum of eight (8) tradelines (one must be mortgage or rental) - One trade must be open for a minimum of 12-months - Minimum ten (10) year credit history
Business Liabilities	Debts that are not a contingent liability that are paid by another entity such as borrower's business or debts being paid by a family member must be included in the DTI calculation.
Forbearance - Mortgage Accounts	Not Allowed

Income	
Paying Off Debt to Qualify	<p>Installment debt may be paid off to qualify either before or at closing</p> <p>Revolving debt may be paid off to qualify either before or at closing with appropriate documentation to evidence that the account has been closed</p>
Tax Transcripts	<p>Required on all income used to qualify, Transcripts may match income type</p> <p>2-years return transcripts always required</p>
P&L and Balance Sheet	<p>Full year P&amp;L required if most recent tax forms are due but not filed</p>
Self-Employed	<p>A borrower is considered Self-Employed when they have 25% or more ownership interest in a business</p> <p>A wage earner borrower with an incidental side business that does not provide qualifying income will not be considered as Self-Employed</p> <p>Declining qualifying income from Self-Employed of 20% or more, is ineligible for qualifying income</p> <p>Two (2) business entities max per transaction</p> <p>For determining the number of qualifying entities, rental properties held in an entity are counted in the total max of two (2). Schedule C are not counted against the maximum number of entities allowed.</p> <p>Year to date P&amp;L required. Needs to be no older than 60-days from note date.</p> <p>3-months business bank statements with ending period same as YTD P&amp;L.</p> <p>Balance sheet dated within 60-days from note date.</p>
Rental Income	<p>Requires one (1) year 1040</p> <p>Leases are required for all properties where rental income is being used to qualify</p> <p>Rental income for properties with leases from management companies or other rental companies (i.e. Airbnb and VRBO) is not allowed</p> <p>Properties with expired leases that have converted to month to month per the terms of the lease will require bank statements for the lesser of 12-months or the time period after the lease expired</p> <p>Commercial properties owned on the REO section of schedule E must be documented with a current commercial lease and evidence that the primary use and zoning of the property is commercial</p>
Unacceptable Income	<p>RSU</p> <p>Cannabis</p> <p>Boarder Income</p> <p>Auto Allowances</p>
Declining Income	<p>Self-Employed income with <math>\geq</math> 20% decline, is ineligible</p>

Assets	
Business Funds	Business funds allowed for down payment and closing costs Loan must meet the FNMA requirements for use of business assets
Gift Funds	Gift funds are allowed for primary residence transactions with the following requirements: <ul style="list-style-type: none"> <li>- Gift donor must be a relative, defined as a borrower's spouse, child or other dependent or by any other individual who is related to the borrower by blood, marriage, adoption or legal guardianship or a fiancé or domestic partner</li> <li>- Borrower must contribute a minimum of 5% of their own funds</li> <li>- Gift of equity is not eligible</li> <li>- Gift funds may NOT be used to pay off installment debt to qualify</li> </ul> Gift funds may NOT be used to pay off revolving debt to qualify.
Reserves	Loan Amounts <= \$1,000,000 - 12 Months PITI Loan Amounts <= \$2,000,000 - 15 Months PITI Loan Amounts <= \$3,000,000 - 30 Months PITI  First Time Homebuyers - 18 Months PITI (\$1,000,000 Max Loan Amount) REO: Each additional financed property requires an additional 6 Months PITI based on each REO's PITI
Source of Reserves	Gift funds, equity lines of credit, and cash-out proceeds <b>CANNOT</b> be used for reserves TOW needs to be provided for any employer sponsored plans.
Paycheck Protection Plan	These loans cannot be included in assets or counted as income

Property / Appraisal Information	
Acreage	No more than twenty (20) acres Properties with greater than 10 acres need to have three comparables with similar acreage
Recently Listed Properties	Rate & Term: Listing must be canceled or expired prior to the application date Cash-Out: Listed within the previous 6-months, not eligible
Condos	All condominiums must meet FNMA warrantable condo requirements Condo review type - Full review always required Detached Condos and small projects (2-4 units) do not require condo review Projects with any litigation are ineligible Minimum square footage 400 New projects are ineligible
Ineligible Properties	Properties zoned Rural Manufactured Homes Factory Built Housing Properties with income producing attributes Properties with oil and gas lease(s) Condo hotel units, non-warrantable condominiums, condominiums with HOA in litigation Log Homes Timeshare units Geothermal homes Unique properties Mixed use properties, including home businesses i.e.: daycare Working farms Hobby farms Commercial properties Agriculturally zoned properties (agricultural/residential eligible) Properties held as leasehold

Oil & Gas Leases	Not allowed
HERO / PACE / Solar Panels	Any item that will include a UCC associated with the property and/or will create an easement on title is ineligible PACE / HERO Liens cannot be subordinated, must be paid off. If paid with loan proceeds transaction will be considered cash-out.
Appraisal Requirements	<p>For loan amounts up to and including \$1,500,000, one full appraisal is required</p> <p>For loan amounts greater than \$1,500,000, two full appraisals are required</p> <p>LTV will be based on lower of the two (2) values</p> <p>All inconsistencies between the two (2) appraisals must be addressed and reconciled</p> <p>A CDA is required on all loans regardless of the loan amount</p> <p>If the CDA produces a value in excess of a 10% negative variance then a field review may be ordered to support the original appraised value, if the field review produces a value in excess of a 10% negative variance the loan is ineligible</p>
Appraisal Age	Appraisal must be dated within 120 days of the note date. Re-certs are not allowed.
Transferred Appraisals	Allowed case by case for loan amounts <= \$1,500,000
Declining Property Value	Reduce maximum LTV/CLTV by 10% for any property located in an area of declining property values as noted on the appraisal